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ABSTRACT

In the early 1990s, having been freed from Soviet domination, small east central European countries, such as Hungary, Poland, the Czech Republic, Slovakia, and Romania, strove to establish democracy and a free market economy, and made a determined effort to join western democracies, by gaining admission to the European Union (EU) and the North Atlantic Treaty Organization (NATO). To join these organizations, potential members had to give evidence of their ability to cooperate. To overcome past animosities, and to advance their cause for European integration, leaders of the post-Communist regimes of Czechoslovakia (after 1993, the Czech and Slovak republics), Hungary, and Poland, realized the advantages of political and cultural cooperation. This recognition led to the formation of the Visegrad/Visegrad Four Group. This curriculum project discusses the evolution of the Visegrad Group/Visegrad Four with a primary focus on Hungary's participation in that organization, assess the progress of the group, show its setbacks, and investigate the economic spin-off of the group, the Central European Free Trade Agreement (CEFTA). The project also pays attention to the tension among Hungary, Slovakia, and Romania, due to the treatment of the 2.5-3 million ethnic Hungarians living in those countries. It further examines the role played by domestic politics on the relations among Visegrad Group/Visegrad Four members. The conclusion assesses the present status and considers the future role of the Visegrad Group/Visegrad Four. (Contains 36 notes.) (BT)

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# HUNGARY AND ITS NEIGHBORS: THE VISEGRAD FOUR

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Submitted to the Fulbright-Hayes Commission
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Hungary and Its Neighbors: the Visegrad Four
Paper Abstract

In the early 1990s, having been freed from Soviet domination, small East Central European countries, such as Hungary, Poland, the Czech Republic, Slovakia, and Romania strove to establish democracy and a free market economy, and made a determined effort to join Western democracies by gaining admission to the European Union and the North Atlantic Treaty Organization, NATO. But accession to these Western organizations had exacting preconditions. In addition to a proven democratic system of government and free market economy, potential members had give evidence of their ability to cooperate.

Although throughout their history, small East Central European countries have struggled for their national independence; cooperation among them was limited. As a matter of fact, their oppressors often exploited the prevalent ethnic rivalries. To overcome such past animosities, and to advance their cause for European integration, leaders of the post-Communist regimes of Czechoslovakia (after 1993, the Czech and Slovak republics), Hungary, and Poland, realized the advantages of political and cultural cooperation. This recognition led to the formation of the Visegrad Group.

This study will discuss the evolution of the Visegrad Group with a primary focus on Hungary's participation in that organization, assess the progress of the group, show its setbacks, and investigate the economic spin-off of the Visegrad Group, the Central European Free Trade Agreement, CEFTA. Attention will be paid to the tension between Hungary and Slovakia and Romania, on account of the treatment of the 2.5-3 million ethnic Hungarians living in those countries. It will further examine the role played by domestic politics on the relations among the Visegrad Group members. In conclusion, it will assess the present status and consider the future role of the Visegrad Four.

This study was based on recent interviews with Hungarian and Polish foreign policy and economic experts, an extensive review of contemporary media reports, and a thorough study of relevant documents. It is intended to fill a gap in the understanding of post-Communist East Central European regional cooperation, and to give insights into some of the counterproductive minority problems. The study is aimed primarily at scholars and students interested in post-Communist East Central European regional developments.

Throughout its thousand-year history, Hungary formed several bilateral and multilateral alliances with its neighbors. At times, cooperation with the surrounding countries was imposed on Hungary. After World War II, the Soviet Union forced countries within its sphere of influence into military and economic blocs – the Warsaw Pact and the Council of Mutual Economic Assistance, CMEA, also known as the Comecom. In the early 1990s, freed from Soviet domination, Hungary and its neighbors were determined to join Western democracies by gaining access to the European Union, EU, and the North Atlantic Treaty Organization, NATO. But accessior to these Western organizations had exacting preconditions. Potential members had to have democratic political systems and a market type economy.

The newly independent East-Central European countries strove to live up to the prerequisites but they had to prove themselves. To improve their chances for integration with Western Europe, and to give evidence of their willingness to cooperate, in April 1990, on the initiative of Vaclav Havel, president of Czechoslovkia, and other newly elected heads of state, Jozsef Antall, prime minister of Hungary and Lech Walesa, president of Poland met in Bratislava, Czechslovakia, to discuss future cooperation in the fields of politics and commerce. They met consequently on February 15, 1991, in Visegrad, Hungary, to formalize their initiative. They called their newly formed group the Visegrad Troika. After the 1993 separation of the Czech and Slovak Federated Republic, the group was referred to as the Visegrad Four or the Visegrad Group.

It is the purpose of this study to trace the evolution of the Visegrad Group, primarily from the vantage point of Hungary. It will review the symbolic significance of the group's chosen name and also a brief history of the participating countries' relations. The growth and change of programs will be scrutinized, as well as the economic spin off of the Visegrad Four, the formation of the Central European Free Trade Agreement, CEFTA. The paper will further discuss some of long-festering and occasional conflicts within the group. In conclusion, it will make a critical assessment as to the current and future role of the Visegrad Group.

During the 14$^{th}$ century, with no direct descendent of the Hungarian ruling House of Arpad, the Hungarian throne became vacant and a struggle for succession ensued. Eventually, the Anjou Robert Karoly was brought in to the country to occupy the throne. The new king gradually succeeded in unifying the country and the economy began to thrive. But Vienna, with its right to interdict trade, seriously hindered Hungary's developing foreign trade with the West. Not wanting to go into war with the Habsburgs, Robert Karoly searched for alternate routes. In 1335, he invited the Czech and Polish kings to Visegrad, the seat of his capital, to jointly plan their foreign policy and find new trade routes bypassing Vienna. It was agreed that instead of Vienna, merchandise was to move through Brno, and the roads leading to Brno was to be protected by members of the Visegrad Congress.[1] The early Hungarian, Czech and Polish cooperation did not last long future, but in 1991, it served as a symbolic and historical underpinning to the agreement hammered out by the heads of states.

Following the relatively short-lived Visegrad Congress, the participants of the original agreement, as well as other small East-Central European nations, often became victims of foreign domination, and had to struggle for their national independence. The Czechs came under Habsburg rule, and the Poles became victims of the neighboring Austria, Prussia, and Russia. Hungary, after a devastating defeat in 1526 by the invading forces of the Ottoman Empire, came under Turkish occupation for 150 years. After liberation from the Turks, the Habsburgs ruled Hungary. During their subjugation, each of the countries made several attempts for national independence, but going it alone, they failed. In 1830, the Poles made a heroic attempt to overthrow the Russian rule, but the tzarist forces defeated them. In March 1848, Hungarians rose against the Habsburg domination, but after some initial successes, in August 1849, they were overwhelmed by joint Austrian and Russian forces.

The defeat of the 1848-49 Hungarian fight for independence could be attributed to some extent to the fact that the leaders ignored the plight of the surrounding nationalities. The reconstituted revolutionary Hungarian National Assembly proclaimed equal rights for all citizens living in the territory of Hungary, but parliamentary representation and official functions were tied to the knowledge of Hungarian language. Without realizing that the Slovak, Croatian, Serbian, and Romanian minorities also yearned to attain their own national and cultural freedom. While those minorities welcomed the equal rights, they resented the imposition of the Hungarian language rule. Thus, instead of potential allies they turned into antagonists. No independence or even autonomy was guaranteed to the ethnic minorities. In fact, Lajos Kossuth, the leader of the Hungarian independence movement, lectured to a visiting Serbian delegation that "in this country there can only be a single political, namely, dominating nation: that is Hungary."[2] The Habsburgs who had been controlling their vast empire under the policy of *divide et impera*, exploited the Hungarian oversight, and they instigated the neighboring nationalities to rise against the Hungarians. The Croatian provincial leader, Jellashich, in the service of the Austrian Court, was commissioned to attack and disband the Hungarian National Assembly. Eventually, the Hungarian government organized an army to defend the country, which fought off the ever-increasing number of invaders before finally succumbing and being forced to capitulate.

Long after the defeat of the War of Independence, did an exiled Lajos Kossuth realize his and fellow leaders' mistaken nationality policies, and began to advocate the formation of a Dunabian Federation. In 1851, during a triumphant visit to the United States, where he was welcomed as a revolutionary hero, he spelled out his ideas:

> My final aim is the idea of Federation which would weld Hungarians and other smaller neighboring nations into a Union, to secure the nationality and independence of each and freedom for all.... The sentiments of sympathy for our sufferings will inspire among the smaller states and races the wish for fraternal confederation ... as the only safe policy and guarantee of freedom for them all.[3]

Kossuth's belated advocacy of cooperation between Hungary and its neighbors did not become a reality. In 1867, to ease its post-1849 relations with the Habsburgs Hungary concluded a compromise, which formed the basis for the Austro-Hungarian Monarchy -- Austria's Emperor simultaneously ruled as Hungary's king. The new arrangement placed

the Slovak and Croatian and also Romanian ethnic minorities under Hungarian jurisdiction. Unfortunately, during that period forced Hungarianization prevailed.

As a consequence of World War I, the victorious Allies redraw national boundaries of East Central Europe. The Austro-Hungarian Monarchy was dismembered, and from its territories a series of successor states were carved out. Hungary was severely punished for being on the losing side. As stipulated by the Peace Treaty of Trianon, Hungary lost two-third of its pre-War territory and one-third of its population. From the onset, relations between Hungary and its newly independent neighbors, Czechoslovakia, Romania, Yugoslavia, were tense. Between the two World Wars, consecutive fascist Hungarian governments under the leadership of Regent Nicholas Horthy, allied themselves with the fascist Mussolini's Italy and Hitler's nazi Germany. During World War II, in hopes of regaining lost territories Hungary joined the Axis Powers. After a devastating defeat, Hungary came under Soviet occupation.

With the onset of the cold war, Hungary and its Soviet dominated neighbors were forced to join the anti-Western military alliance, the Warsaw Pact, and later, a pale imitation of the Common Market, the Comecon. After the collapse of the Soviet bloc, these imposed associations gave way to a genuine search for cooperation among small East Central European states. As mentioned above, on February 15, 1991, President Havel, Prime Minister Antall, and President Walesa, signed a declaration on close cooperation of their countries on their way toward European integration.[4] After the collapse of the communist regimes of their countries, cooperation became important for the transition from totalitarian system to free pluralistic democratic societies. The basic objectives of the Visegrad Declaration were:

- Full restitution of state independence, democracy, and freedom,
- Elimination of all existing social, economic and spiritual aspects of totalitarian system,
- Construction of parliamentary democracy, a modern State of Law, respect for human rights and freedoms,
- Creation of modern market economy,
- Full involvement in the European political and economic system as well as the system of security and legislation[5]

The Declaration further stated that it respected the rights of the participating states to express their own identity. It stressed that national, ethnic, religious, and language minorities must also enjoy all political, social, economic and cultural rights and the right to education. The signatories agreed that their cooperation was not directed against the interests of any other country, and it in would no way restrict their relations with other states. The cooperation was to be realized through meetings and consultations held at various levels and in various forms.

Unfortunately, the Declaration did not establish an administrative structure or a secretariat that would organize future meetings and oversee the realization of the well-intended resolutions. It is true that in August 1991, during the coup attempt in the Soviet Union, the heads of the Visegrad Group held close consultations on how to react to the

possible threat of a reversal of Gorbachev's policies. The leaders condemned the putsch and came out in full support of Yeltsin's defiance of the conspirators. But as the imminent crisis disappeared, a lull set in on the activities of the Visegrad Group.

In 1993, as a consequence of the break up of the Czech and the Slovak republics, the future of the cooperation of the Group became doubtful. The conservative Czech prime minister, Vaclav Klaus, dismissed the significance of the Visegrad Group and called it an empty shell and a "poor men's club." In fact, the Czechs believed that a close link with the Visegrad Group members would jeopardize their own progress of integration with the West. In the early 1990s, the Czech Republic was indeed ahead of its Visegrad partners. It had a better-developed industrial sector, it was more urbanized, and agriculture was a relatively small segment of the economy. Therefore, its admission into the European Union appeared to be less burdensome than that of Poland with its large agricultural sector. Also, the Czech Republic was ethnically homogeneous and did not have the festering ethnic conflict that had been haunting the Hungarian and Slovak relations.[6]

Ever since the arbitrary formation of the post-Trianon national boundaries, a substantial number of ethnic Hungarians ended up in the neighboring successor states.[7] It has been often noted in jest, that Hungary is the only country that is surrounded by fellow Hungarians. The Soviet domination of East Central Europe kept ethnic conflicts from surfacing; the Kremlin strictly enforced "international brotherhood" among its client states. When the Soviet constraints were lifted ethnic conflicts flared up in East Central Europe and in the Balkans. Although the Hungarians led the struggle to overthrow the tyrannical Ceausescu regime in Romania, they soon realized that the post-Communist government, and the Romanians in general, remained unsympathetic to their quest for linguistic and cultural autonomy. In Slovakia, the Hungarian minority was always viewed with suspicion for their sympathies toward Hungary.

As for the other Visegrad partners, Hungary had no conflict with the non-contiguous Czech Republic and Poland. Especially with Poland Hungary had historically good relations. After the breakup of Czechoslovakia, Slovakia automatically became a member of the Visegrad Group. But the nationalist policies of Vladimir Meciar, Slovakia's prime minister, did not favor cooperation with its neighbors. In addition to his anti-Hungarian, discriminatory policies, a serious intergovernmental conflict surfaced between Hungary and Slovakia that exacerbated the situation of Hungarian minorities in that country. It was Slovakia's insistence on building a previously contracted Gabcikovo hydroelectric plant on the Danube. It was one of those grandiose Communist construction projects that disregarded the environmental damage it was bound to cause.[8] The post-Communist Hungarian government vehemently opposed the building of the plant fearing irreparable damage to the aquifers on the Hungarian shores of the river. Because the Gabcikovo conflict and Meciar's repugnant, nationalistic and repressive anti-Hungarian policies, the two countries did not even sign a basic treaty until 1995.

Ironically, in 1994, in Prague, President Clinton meeting with the heads of East Central European countries while promoting the newly inaugurated Partnership for Peace, PFP, program, inadvertently undermined the survival of the Visegrad Group. Once again it

appeared that the Czechs favored to go it alone, pressing their own advantage. During Clinton's visit, the Poles accused the Czechs that they "had hijacked the meeting," by failing to coordinate adequately with the Visegrad Group. President Havel responded that independent countries must act primarily in their own interest.[9] It appeared that the PFP provided its members with a broader framework for cooperation. While the political cooperation of the Visegrad Group was becoming stagnant, regional economic cooperation appeared to be more promising.

On December 21, 1992, in Krakow, Poland, the Czechoslovakia (after January 1, 1993, Czech and Slovak Republics) Hungary and Poland signed the Central European Free Trade Agreement, CEFTA, to expedite inter-bloc foreign trade by lowering protective tariffs, and also to prepare the participants for full European Union membership. On March 1, 1993, the CEFTA went into effect. The trade liberalization of CEFTA followed the patterns of the European Free Trade Agreement, EFTA. Before the agreement, trade barriers between the contracting parties were higher than those with the EU. The Agreement provided for the abolition of state monopoly, equalization of the legislation aimed at encouraging competition, cooperation and exchange of information about subsidies and protection measures against excessive imports, as well as rules and procedure as to the origin of goods. The ultimate objective of the countries was admission into the European Union. The CEFTA was primarily concerned with industrial products. Some tariffs were removed immediately, others within three years, and sensitive products, such as textiles, clothing, metallurgical products, and vehicles, were to be significantly reduced or eliminated by 2001.[10] Initially, agricultural goods were not central to the agreement, but later, they turned out to be more cumbersome to resolve.

In 1996, Slovenia joined CEFTA, and in that year 80 percent of the import duties on industrial good were eliminated. A year later, tariffs on industrial products were completely abolished with the exception of some of the above mentioned "sensitive goods." In July 1997, Romania joined the CEFTA, in 1998 Bulgaria, and in 2001 Croatia became a member. The interim aim of CEFTA was to abolish tariffs and non-tariff barriers among the member countries and establish a free trade zone by 2001. Although their level of economic development was uneven, CEFTA members represented a substantial economic unit with a population of 102 million people (See Table).

Trade within CEFTA was gradually increasing. However, the total elimination of tariffs did not occur without setbacks, because certain tariffs were retained, and from time to time there was renewed imposition of customs fees. For that reason, the representatives of CEFTA countries were emphasizing that more efficient mechanisms should be adopted for dealing with internal disputes in mutual trade exchange. Disagreement surfaced over agricultural trade. The partners could not come up with a common agricultural policy. As the CEFTA members moved toward EU membership, the question of bringing their agricultural policies in line with EU's agricultural policies became a central problem. Since CEFTA was unable to agree on a common agricultural policy it was decided that members should negotiate bilateral trade agreements.

**General macroeconomic indicators on CEFTA countries in 2000**
***(incl. comparison with Croatia) – figures in US Dollar***

| Year 2000 | Bulg. | Czech. | Hung. | Poland | Rum. | Slovak. | Sloven. | Cro. |
|---|---|---|---|---|---|---|---|---|
| population in mil. | 8.4 | 10.3 | 10.13 | 38.5 | 22.75 | 5.42 | 2.0 | 4.5 |
| GNP (bil.) | 12.7 | 51.3 | 46.7 | 162.3 | 36.7 | 20.0 | 20.1 | 19.1 |
| GNP per capita | 1 508 | 5 208 | 4 794 | 4 190 | 1 624 | 3 690 | 10,119 | 4 254 |
| exp. (bil.) | 4.81 | 29 | 21 | 27.8 | 9.9 | 11.1 | 8.73 | 4.39 |
| imp. (bil.) | 6.49 | 32 | 25.2 | 42.8 | 11.4 | 11.8 | 10.12 | 7.91 |
| trade bal. (bil.) | - 1.67 | - 3 | - 3.2 | - 15 | - 1.5 | - 0.7 | - 1.39 | - 3.52 |
| inflation % | 11.4 | 4 | 10.1 | 8.5 | 40.7 | 8.4 | 8 | 6.2 |
| foreign debt-bil | 10.37 | 23 | 22.3 | 45 | 8.6 | 11.3 | 5.71 | 9.8 |
| unemploym. % | 16.4 | 9 | 6.3 | 14.6 | 10.0 | 18.5 | 12.5 | 22.4 |
| foreign cur. reserv. (bil.) | 3.62 | 13 | 11.2 | 27 | 3.8 | 4.4 | 4.17 | 3.5 |

http://www.mvp.hr/mvphr-www-eng/5-multilateral/020412_cefta.html.

From the onset, CEFTA was instrumental in increasing trade in the region; it prevented trade diversion, and lessened the chance for segmentation of the Central European market. Economic cooperation also contributed to the political stabilization of the area. Through their cooperation, the member countries provided the European Union with proof that they were capable of working together, and that they were prepared for further integration. Together they also increased their bargaining power with the EU.

By the mid-1990s, among the Visegrad members, the Czech Republic, Hungary, and Poland made significant progress in transforming their countries to democracy, while the Meciar-led Slovakia was faltering. Western democracies were putting increasingly more pressure on Slovakia to live up to precepts of democracy. To reward their progress, the Czech, Republic, Hungary and Poland were invited to join NATO, leaving the laggard Slovakia behind. Eventually, the Slovak people realized the damage inflicted on their country by Meciar's isolationist, nationalist, and anti-Western policies. In 1998, they turned him out of office, and Slovakia made strides to catch up with its Visegrad partners. After years of stagnation, in 1999, after Slovakia reversed its course, the Visegrad Group decided to revitalize their cooperation and jointly relaunched efforts to speed up the European Union membership of the four countries.[11]

On May 16, 1999, the prime ministers of the Visegrad Group held a summit meeting in Bratislava, Slovakia to show solidarity with the newly elected Slovakian prime minister, Mikulas Dzurinda. The prime ministers agreed to a concrete program for cooperation on



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economic and security issues. They said that that they would meet twice a year, both formally and informally to keep their renewed initiative on track. Each country agreed to appoint a Visegrad commissioner and create a permanent secretariat. They urged the EU to begin accession negotiations with Slovakia, and they supported that country's admission into NATO. In line with the EU's demand, they also promised to crack down on organized crime. The prime ministers jointly condemned "the deliberate policy of oppression, ethnic cleansing and violence" committed by Milosevic's Yugoslav forces against civilians in Kosovo. It was decided that the Czech Republic would host the next formal summit meeting in Prague.[12]

By 1999, the Czechs replaced Vaclav Klaus who had criticized and belittled the Visegrad Group, and by then the other detractor, the Slovak Meciar was also gone. Although relations between Slovakia and Hungary had been seriously damaged by Meciar's treatment of the country's ethnic Hungarian minority, it appeared that the road to future cooperation was more promising. In October, the prime ministers met again at an informal session in the picturesque High Tatras. To give even more credence to the reconstituted Visegrad Four, on December 3, 1999, the countries' presidents, the Czech Vaclav Havel, the Hungarian Arpad Goncz, the Polish Aleksander Kwasniewski, and the Slovak Rudolf Schuster, also met in the High Tatras. The presidents expressed satisfaction with the prime ministers' agreements, and proposed to further extend the cooperation in education, culture, youth and sports, science and technology, protection of the environment, infrastructure, and cross-border cooperation. They also advocated the establishment of a Visegrad Fund.[13]

One of the important achievements of the next summit meeting on June 9, 2000, was the creation of the International Visegrad Fund. This Fund was regarded as a crucial step toward realizing a very significant joint project to promote the development of cooperation of the Visegrad Group in the field of culture, science and research, education, youth contacts, cross-border cooperation and sports. The Fund was also aimed to improve contacts between non-governmental organizations and individuals from the Visegrad Four countries. Initially, 2 million euros were approved for the Fund. Applications from individuals or groups for funding projects were to be submitted to the secretariat by March 15 and September 15.[14] During 2000, contacts at all levels multiplied. In addition to the June summit, there were 25 meetings held; meetings of ministers of culture, chairmen of committees of foreign affairs, ministers of justice, general directors of railways, youth delegations, also top level meetings with visiting foreign heads of state, took place.[15]

On April 2-4, 2001, the Visegrad Group celebrated its 10th anniversary. In Washington, DC, a special Visegrad forum chaired by former National Security Advisor, Zbigniev Brzezinski, was dedicated to the anniversary. On June 1, the scheduled summit meeting was held in Krakow, Poland. The prime ministers expressed their satisfaction with the increased inter-group contacts and emphasized their progress toward European integration. It was also reported that neighboring countries, Slovenia, Romania, and the Ukraine, expressed interest in joining the Visegrad Four.[16] In addition to the summit,

twenty other meetings were held. On the surface the Visegrad Group was functioning smoothly, but internally, serious conflict was brewing between Hungary and Slovakia.

Ever since the post-World War I, Trianon Peace Treaty,[17] which truncated the country and placed millions of ethnic Hungarians in neighboring states, successive Hungarian governments could not ignore the fate of their compatriots. Among other reasons, irredentist policies motivated Hungary to join Nazi Germany during World War II. Hungarians, by being on the losing side did not help to improve the lot of their compatriots in the neighboring countries. Emerging from Soviet domination, Hungary and fellow Socialist countries had much in common, as it was evidenced by their cooperation within the framework of the Visegrad Group. Nevertheless, the repressive treatment of ethnic Hungarians across the borders continued the tension between Hungary and its neighbors. Nationalist tendencies in Slovakia and Romania constantly curtailed the rights of their sizable Hungarian minorities. Ironically, in Hungary also nationalist tendencies fueled protests against their neighbors, and extremists demanded the revision of the Trianon treaties. Such ethnic conflicts interfered with the genuine cooperation between the countries. Western powers warned Slovakia, Romania, and Hungary that such conflicts would jeopardize their admission into NATO and the European Union. Meciar's Slovakia was the main culprit in introducing anti-minority legislation, and Romania also treated its Hungarian minority shabbily. Eventually, pressured by the United States and Western Europe, both countries signed belated basic treaties of friendship and cooperation with Hungary.[18] Those treaties included guarantees of minority rights.

The right-of-center Hungarian government, elected in 1998 and led by Prime Minister Viktor Orban, became a champion in demanding better treatment of ethnic Hungarians abroad. As part of its election campaign, the Alliance of Young Democrats, FIDESZ, called for the rights of ethnic Hungarians to preserve their linguistic and cultural heritage. After winning the election, the Orban-led coalition government proposed legislation to extend special privileges to fellow Hungarians whenever they visit the country or seek employment in Hungary. This policy was received favorably by the majority of Hungarians, and even opposition parties ended up supporting it. Naturally, ethnic political parties and social organizations in neighboring countries hailed the proposed law.

On June 19, 2001, the National Assembly of Hungary passed a "Status Law" or, as it was also known a "Benefit Law," with an overwhelming majority of 92 percent, effective January 1, 2002.[19] The Status Law granted wide-ranging cultural and social rights to ethnic Hungarians from Slovenia, Croatia, Yugoslavia, Romania, Ukraine, and Slovakia when they visited or sought employment in Hungary. In order to qualify for these benefits persons had to give proof of their Hungarian origin, and they had to obtain a Hungarian identity card. The Status Law also stipulated that financial assistance would be made available for the establishment, maintenance, and development of organizations and accredited institutions of higher education that guaranteed Hungarian language instruction. Families with a minimum of two children who intended to receive Hungarian language instruction would also be entitled to claim benefits.[20]

In regards to the timing of the Status Law, it must be pointed out that Hungary was already preparing for the 2002 general elections. The opposition Hungarian Socialist Party, MSZP, noting the favorable responses to the proposed law during pre-election opinion polls, felt obliged to vote for it. Only the Alliance of Free Democrats, SZDSZ, a small Western-oriented party opposed it in the parliament. They argued that too many ethnic Hungarians would be enticed to leave their home countries in search of more favorable employment opportunities in Hungary. The SZDSZ also objected to the issuance of Hungarian identity cards by various ethnic Hungarian organizations, claimed that the Law had too many vague categories, and it expressed concerns about the actual cost of the legislation.[21]

Opposition, especially, from Slovakia and Romania, was swift; those countries strenuously objected to the Status Law and moved to prevent its implementation. Slovakia and Romania claimed that Hungary was interfering with their countries' internal affairs. They accused Hungary with extra-territoriality, discrimination on an ethnic basis, an infringement on their countries' sovereignty. Also, they charged that there were no sufficient prior consultations, and they insisted that the Status Law was anti-European.

The Hungarian Status Law was brought before the European Commission for Democracy Through Law, also known as the Venice Commission, for decision.[22] The Venice Commission's decision did not end the controversy. According to its ruling "responsibility for minority protection lies primarily with the home-States." The Commission noted "kin-States also play a role in the protection and preservation of their kin minorities, aiming at ensuring that genuine linguistic and cultural links remain strong."[23] The Commission warned that unilateral measures by kin-States granting benefits to persons belonging to kin-minorities should be avoided.

Ironically, both Hungary and its neighbors claimed victory upon receiving the Venice Commission's decision. Hungary's foreign minister, Janos Martonyi, emphasized that the Commission considered legislation aimed at encouraging minorities to preserve their national identity as a "positive" and that states have the right to approve such legislation. Martonyi believed that there could be some difference in interpretations of the decision, but such differences would be overcome by bilateral negotiations. Prime Minister Adrian Nastase of Romania said that the Commission vindicated the Romanian position: "While legislation encouraging ties with kin folk in neighboring countries and intended to preserve their national identities is 'positive,' no state can 'transfer jurisdiction' over part of its territory to another state, nor can legislation affecting national minorities living abroad be implemented without the acquiescence of the state in question." He added that identification documents that show ethnic origin would be discriminatory.[24] The two countries with the largest ethnic Hungarian minorities relentlessly opposed the implementation of the Status Law. Despite its opposition, on December 24, 2001, Romania relented and signed an agreement with Hungary in connection with the Status Law. According to this agreement, Romanian citizens also received permission to seek employment in Hungary under the same circumstances as ethnic Hungarians. It was also agreed that only Hungarian consulates could issue identification documents.

Despite the opposition and ambiguities the Status Law went into effect on January 1, 2002. The issue of Status Law still remained unresolved between Slovakia and Hungary. Whenever the question of obtaining Hungarian identification documents surfaced in Slovakia, it brought about a political storm. When Hungarian members of the Slovak parliament applied for a Hungarian ID, fellow representatives moved to impeach them and even bring charges of treason against them. Although the Status Law caused tension between two members of the Visegrad Group, the organization continued to function relatively well on various levels, and it was preparing for the March 1, 2002 summit meeting in Budapest. But before that meeting could take place, a serious new conflict developed within the Visegrad Group.

As the 2002 general elections were approaching in Hungary, the competition between the two major parties, the Alliance of Young Democrats – Hungarian Civic Party, better known by its acronym FIDESZ, and the Hungarian Socialist Party, MSZP, was becoming more and more fierce. According to the opinion polls, the parties were running neck to 0neck. To gain an edge the head of the right-of-center FIDESZ, also prime minister, Viktor Orban began to appeal to Hungarian nationalist sentiments, and even ended up courting the followers of the small extreme right Hungarian Justice and Life Party, MIEP. In the international arena, sensing a shift toward the right, Orban sought alliance with the right wing coalition government of Austrian Chancellor Wolfgang Schüssel,[25] and Edmund Stoiber, the conservative challenger of the Socialist German Chancellor, Gerhard Schroeder.

At a February 20, 2002, Prime Minister Orban meeting in Brussels with representatives of the European Parliament's Foreign Affairs Committee, energetically defended Hungary's progress toward admission into the European Union. When challenged about his country's tense relations with its neighbors on account of the implementation of the Status Law, Orban launched a counter attack, and stated that the Venice Commission judged the Status Law acceptable, but he unexpectedly asserted that "the still existing Benes Decrees were contrary to the spirit of the European Union," and he added: "The Czech Republic and Slovakia should repeal those decrees before entering into the European Union."[26] Orban's statement stirred up quite an international political storm. The immediate post-World War II, enactment of the so-called Benes Decrees has remained one of the most sensitive issues between Czechoslovakia, that is, the Czech and Slovak republics, and Germany and Austria.

In 1938, the Munich Agreement dismembered Czechoslovakia. After World War II, on August 2, 1945, as Czechoslovakia was reconstituted, Eduard Benes, the country's president, issued Constitutional Decree 33/1945 Sb., under which persons of German and Hungarian nationality would forfeit their Czechoslovak citizenship, unless they could show that during the time when the republic was threatened they had officially registered themselves as Czechs or Slovaks, and had remained faithful to the republic, or had themselves suffered at the hands of the fascists or had taken an active part in the resistance movement. The removal of citizenship was followed by the official expulsion

of 2.5 million Germans in accordance with the ruling of the Allies at the Potsdam Conference.[27]

A subsequent Benes Decree 71/1945 Sb., introduced work obligations for those people who were stripped of their Czechoslovak citizenship; under this decree more than 40,000 Hungarians from Slovakia were brought to the Czech lands to work. The aim was to punish and weaken the Hungarian minority of more than half a million in Slovakia, for the Hungarian occupation of southern Slovakia in 1938 with Hitler's approval. According to available information, the resettlement was carried out with inhumanity and under harsh conditions. In two years' time the uprooted Hungarians were able to return to Slovakia. The Allies rejected a Kosice Government Manifesto, which stipulated the expulsion of most Hungarians from Czechoslovakia. The Allies advised negotiations between the two governments. On February 4, 1945 the Slovak National Council had issued a less drastic manifesto, which said that Hungarians who came to Slovakia after 1938 had to return to Hungary. Accordingly, the fate of the Hungarian minority depended on its relationship with the new Czechoslovakia, and it was required to cleanse itself of all fascist and anti-Slovak elements. The Slovak National Council did not propose the mass expulsion of Hungarians."[28] Those post-War laws were never repealed, but 57 years after their implementation, they were no longer in effect. The question is why did Viktor Orban raise such an outdated issue?

Before trying to respond to the above question, it should be noted that the immediate post-War Hungarian government was also directed by the Allied Control Commission to deport a sizable ethnic German community from Hungary. Once Orban's statement in Brussels was publicized, instead of retracting it or, at least, downplaying it, he kept reiterating it, and even suggested that repealing the Benes Decrees should be a condition for membership in the European Union. "This is a European issue and I am convinced that once Central Europeans join the union these legal leftovers from a bad historic period will wither and fall to dust, as did the systems that created them."[29] Orban's repeated provocative statements infuriated the Czech Republic and Slovakia and seriously endangered their partnership with Hungary. Poland was also incensed, not only because massive resettlement of Germans occurred in that country too, but also because Orban had made public the Visegrad's Group's planed strategy to form a united front to strike a more favorable deal with the EU, especially on the sensitive issue of farm subsidies. As a first step to retaliate, Hungary's Visegrad partners cancelled their appearance at the scheduled March 1, 2002, summit meeting in Budapest.

The European Enlargement Commissioner Guenter Verheugen, in an attempt to calm the divisive storm, hurriedly stated that the debate about the Benes Decrees would not affect the expansion process. "My strong advice would be not to try to make the Benes Decrees an issue for today's Europe." As a conciliatory note, he added, "How many laws, decrees, and even illegal acts did we see in EU states before the establishment of the EU that do not meet today's human rights standards?"[30] Other responsible Western European politicians also distanced themselves from Orban's suggestion to make repealing the Benes Decrees a condition of EU membership. Even the German leaders, where the issue was still potent, said that they did not intend to make the decrees an issue.

Slovakia, which already had tenuous relations with Hungary because of the Status Law, reacted most vehemently to Orban's outburst, especially when it was learned that Orban also implied that NATO admission should also be dependent on the elimination of the Benes Decrees. Former Prime Minister Meciar exploited the situation. With a new election in mind, he fueled his countrymen's nationalistic, anti-Hungarian sentiments. The anti-Meciar coalition was put into a bind; if it reacted weakly it would risk losing nationalist support, if it overreacted it would risk alienating one of its key coalition partners, the ethnic Hungarian party.[31]

In Hungary, Viktor Orban a relatively young (elected as head of the Hungarian government in 1998 when he was 35 years old), over-confident, often arrogant, prime minister wanted to assure his own reelection by playing the populist nationalistic card. He wanted to appear as the protector of all Hungarians, at home and abroad. He wanted to appeal to the "patriotic" feeling of his countrymen. Anyone who would not fully support his pro-ethnic policies was labeled unpatriotic. During his four-year-tenure he kept moving further and further to the right, approaching the extreme rightist demagogic, chauvinistic, anti-Semitic, anti-foreigner policies of the MIEP, the small party, which barely managed to have a parliamentary representation.

At the height of his power in 2001, Orban managed to bully the major opposition party, the Socialist party, to support the Status Law regardless of the possible alienation of the country's neighbors. Contrary to his belief, his brash statements in Brussels about the Benes Decrees, backfired. Only some right wing supporters of the Austrian Haider, and neo-Nazi Germans applauded the call for the abolishment of the Benes Decrees. Even ethnic Hungarian minorities were reluctant to favor it, fearing a backlash. Moderate and left of center Hungarian newspapers attacked Prime Minister unsparingly.

Upon the cancellation of the Budapest meeting of the Visegrad Four, the leading Hungarian newspaper, the *Nepszabadsag*, called Orban "the grave digger" of the group. The newspaper proclaimed the cooperation "dead" or at least, "comatose." According to the newspaper, Orban was becoming "super active" in foreign affairs during the last phase of elections. But with his limited qualifications in diplomacy, "he succeeded to insult all of Hungary's Visegrad partners." Bringing up the long-outdated Benes Decrees, he did serious damage to Hungary's international prestige at a time when cooperation of the Visegrad Group would be crucial for admission to the European Union.[32]

Orban's aggressive rightist electioneering policies did not work at the polls. On April 21, 2002, his party, the FIDESZ, and its coalition partner, the Hungarian Democratic Forum, MDF, ended up with 188 representatives, while the left-of-center Socialist party, the MSZP, together with its coalition partner, the SZDSZ, elected 198 representatives. As the result of the elections, the Socialist party's leader, Peter Medgyessy, was asked to form the government.[33] Upon coming into office, the new prime minister wasted no time in mending fences with Hungary's Visegrad partners.

On the initiative of Prime Minister Medgyessy, on June 29, 2002, the four heads of state of the Visegrad Group met in Esztergom, Hungary. Even before the meeting, Medgyessy met privately with his Slovak counterpart, Mikulas Dzurinda, to discuss the still unsettled Status Law. The two prime ministers agreed to have a committee of experts negotiate a mutually satisfactory arrangement between the two countries. The Esztergom summit proved that the Visegrad Group's cooperation was not "dead." After the changes in the Hungarian government, the Visegrad Four was able to resume their cooperation. The heads of state agreed to jointly lobby the European Union about equitable agricultural subsidies. They also supported Slovakia's admission into NATO. The Status Law was discussed, and on the basis of his discussion with Dzurinda, Medgyessy expressed hope that soon amicable solutions would be reached. To increase the popularity and awareness of the Visegrad Four's activities, support for the Visegrad Fund was increased, and a new Visegrad Prize for outstanding contribution or achievement was to be introduced. For the time being no enlargement of the Visegrad Group was considered. At the end of the meeting, the chairmanship of the group was passed from Hungary to Slovakia. As a symbolic gesture of passing the leadership, the four prime ministers crossed the Danube bridge at Esztergom to Slovakia.[34]

The renewed cooperation of the Visegrad Four came at a time when three of the four, the Czech Republic, Hungary and Poland, are considered for admission into the European Union by 2004. Regional conflicts might have given the EU a reason for delaying the expansion when enthusiasm for adding new members has already been waning in Western Europe. The Visegrad candidates under consideration are still well below EU economic development, and upon admission they would definitely be in need of subsidies, especially in the area of agriculture. It has been in the interest of the Visegrad partners to pool their resources to expedite their admission and to receive better terms. The Orban incident has shown the fragility of their regional cooperation.

Perhaps, the Schengen Agreement,[35] free border crossing of citizens of members states would alleviate the need for nationalistic legislation such as the Hungarian Status Law. The free flow of capital and labor would relieve the inter-ethnic rivalries. Unfortunately, neither Slovakia nor Romania has been considered to be among the front-runners for admission into the EU. Therefore, ethnic Hungarians would face restrictions entering Hungary. The question remains, would Hungary's Status Law ease the restrictive border crossing to Hungarians living in Slovakia or Romania? Would the members of the Schengen Agreement make an exception in favor of ethnic Hungarians? Unlikely, judging from the ongoing negotiations between the EU and the Russian Federation concerning visa-free border crossings from the isolated Kaliningrad district of the Russia, through potential Schengen countries Poland and Lithuania.

According to the most recent interviews in Hungary and Poland,[36] foreign policy spokesmen emphasized that for further economic development of their countries, European Union membership is a must. When asked about the relatively poor economic performance of their countries in comparison with all present EU members, the response was that Greece, Portugal and Spain had also been below the economic levels of the founding members, but upon being admitted as a consequence of membership their

economies have flourished. While the governments of the candidate countries enthusiastically support EU membership, the long-delayed decision about admission and vacillation caused resentment among the population.

As the EU has proposed less equitable terms to new members, domestic support for joining has been decreasing. Anti-European integration politicians have been urging their fellow countrymen not to become subjects of "Brussels' domination," not to give up their hard earned sovereignty. To counter the anti-integrationists, and to prove their sincerity and willingness to join, the leaders of the Visegrad Group have decided on holding referendums on EU membership in 2003. But in light of growing opposition, the pro-integration leaders were concerned about the turn out for the referendum. The Visegrad Group heads of state have concluded that a momentum for European integration must be built up. Therefore, since support for joining the EU was the highest in Hungary, that country should hold the first referendum, followed by the Czech Republic and then Poland.

Assuming that the European Union's expansion will take place in 2004, regional economic cooperation such as CEFTA would probably be submerged into the European Union. But the Visegrad Four, not unlike the Benelux states, may still serve as a useful framework for future political and cultural cooperation, and also serve as a unified group giving more prominence to the region within the larger organization.

End Notes

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[22] "Conclusions," *European Commission for Democracy Through Law*, 48th Plenary Meeting, October 19-20, 2001.
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[24] Martonyi Reacts to Venice Commission Recommendation on Status Law," and Romania Hails Victory Over Venice Commission," http://www.rferl.org/newsline/2001/10/221001.asp.
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